



**Final Minutes
Endowment Fund Investment Board (EFIB) Special Meeting
March 08, 2005**

The Endowment Fund Investment Board called for an emergency special meeting on Tuesday, March 08, 2005. Idaho Code §67-2343 allows for a public meeting to be held without 24 hours notice if an emergency exists. A motion was made by Parker Woodall, second by John Taylor to waive the notice of meeting. The motion carried unanimously.

Chairman M. Dean Buffington called the meeting to order, recognized that a quorum was present, and identified the basis for the emergency meeting as the potential for financial loss to the endowment beneficiaries if the Land Board is not timely presented with an analysis of legislative action concerning the earnings reserve distribution to the beneficiaries for Fiscal Year 2006 by the Endowment Fund Investment Board and a recommended response to such legislative action.

Members Present:

M. Dean Buffington
Representative William W. Deal
Gavin Gee
Tom Kealey
Senator Brad Little
William D. Mitchell
John Taylor
Parker Woodall

Staff Present:

Matthew Haertzen
Andrew Potter
Angela Zirschky

Members Absent:

None

Increase in the Public School Payout Ratio to 5%: Approved

Because of the potential for financial loss to the endowments or to the education budget, the Endowment Fund Investment Board called an emergency special meeting to discuss a proposed increase in the public school payout recommended by JFAC (Joint Finance and Appropriations Committee).

Mr. Haertzen reported that on Monday, March 07, the Attorney General asked for the Endowment Fund Investment Board to make a recommendation to the Land Board on the public school payout level prior to the Land Board meeting at 9:00 a.m. on Tuesday, March 8, 2005.

Mr. Haertzen distributed cash flow analyses of the 4% and 5% payouts that detailed the impact to the fund. Under a 4% payout ratio, the real purchasing value of the fund would be restored by fiscal year 2010. Under a 5% payout ratio, the real purchasing value of the fund would be restored by fiscal year 2011. Additionally, Mr. Haertzen reported that the Department of Land's projections for its fiscal year 2006 timber harvests are \$5 million greater than previous expectations which would fully offset the change from a 4% to 5% payout level.

Based on the information in the cash flow analyses and the projected increase in revenue from timber sales, Parker Woodall moved, second by Gavin Gee to recommend to the Land Board a 5% public school payout ratio. The motion carried unanimously.

There being no further business to come before the board, the motion was made by Tom Kealey, second by William Mitchell to adjourn the meeting at 7:50 a.m. The motion carried unanimously.